

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **May 14, 2002**

AGENDA ITEM NO.: **32**

CONSENT:

REGULAR: **X**

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: Adoption of the FY 2003 Operating and Capital Improvement Program Budget, Adoption of the FY 2003-2008 Capital Improvement Program, and Establishing the Real Property Tax Rate for FY 2003

RECOMMENDATION: Adopt the FY 2003 Operating Budget, FY 2003 Capital Improvement Program and the FY 2003-2008 Capital Improvement Program as amended and establish the Real Property Tax Rate for FY 2003.

SUMMARY: The FY 2003 Proposed Operating and Capital Improvement Budget has been amended as follows:

General Fund

| | <u>Proposed Operating Budget</u> | <u>Amendments</u> | <u>Revised Budget</u> |
|--|--------------------------------------|-------------------|-----------------------|
| Operations | \$78,818,739 | \$517,615 | \$79,336,354 |
| Debt Service | 5,589,200 | -0- | 5,589,200 |
| Schools-Operations | 26,825,411 | 200,000 | 27,025,411 |
| Schools-Debt Service | 4,401,015 | -0- | 4,401,015 |
| Health Insurance Reserve | -0- | 195,000 | 195,000 |
| Reserve for Snow Removal, Streets and Bridges | -0- | 250,000 | 250,000 |
| Reserve for Contingencies | 1,200,000 | -0- | 1,200,000 |
| Capital Improvements | <u>1,233,243</u> | <u>955,924</u> | <u>2,189,167</u> |
| Total | \$118,067,608 | \$2,118,539 | \$120,186,147 |

Details of these adjustments can be found on Attachment A.

Other Funds

Other Funds have been amended to incorporate the 2% compensation adjustment for employees in those funds.

FY 2003-2008 Capital Improvement Program

Expenditure adjustments to the FY 2003 Capital Improvement Program are reflected on Attachment B. In addition, funding for Lynchburg United Soccer in the amount of \$358,120 has been moved from FY 2003 to FY 2004 as previously discussed with City Council.

Fund Balance

With the adjustments noted above, the General Fund undesignated fund balance is projected to be \$12,721,459 or 10.8% of revenues.

PRIOR ACTION(S): March 19, 2002 – City Council Work Session
March 26, 2002 – City Council Work Session
April 2, 2002 – City Council Work Session
April 9, 2002 – City Council Work Session
April 16, 2002 – City Council Work Session and Public Hearing on the Proposed
FY 2003 Operating Budget and FY 2003-2008 Capital Improvement
Program
April 23, 2002 – City Council Work Session

BUDGET IMPACT: See attached budget ordinance.

CONTACT(S): L. Kimball Payne, City Manager, 847.1443 ext.223
Bonnie Svrcek, Deputy City Manager, 847.1443 ext. 224

ATTACHMENT(S): Ordinance adopting the FY 2003 Operating Budget, FY 2003 Capital Improvement Program and the FY 2003-2008 Capital Improvement Program as amended and establish the Real Property Tax Rate for FY 2003; Attachment A: General Fund Expenditure Adjustments; Attachment B: Capital Improvement Program Adjustments

- A. BE IT ORDAINED that the FY 2003 Proposed Operating Budget including the revenues and expenditures proposed and adjusted by City Council be adopted as the annual operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2002 and ending June 30, 2003; and,

BE IT FURTHER ORDAINED that there be appropriated from the funds and resources of the City of Lynchburg for the fiscal year ending June 30, 2003, the sums for each fund as indicated below for the purposes herein mentioned, and further that said sum shall not in any way be increased or added to except by a majority vote of all of the members of Council, said vote to be taken by ayes and noes:

GENERAL FUND INCOME

| | |
|-----------------------------------|----------------------|
| Beginning Balance | \$15,210,626 |
| <u>Non-Dedicated Revenues</u> | |
| Real Property | 29,868,425 |
| Personal Property | 15,588,313 |
| Local Sales Taxes | 11,210,857 |
| Public Service Corporation | 2,281,784 |
| Consumer Utility Taxes | 6,298,439 |
| Permits, Fines and Licenses | 592,125 |
| Fines & Forfeitures | 820,000 |
| Use of Money & Property | 1,499,601 |
| Charges for Services | 1,150,314 |
| Miscellaneous | 21,034,647 |
| Intergovernmental | 3,244,865 |
| <u>Dedicated Revenues</u> | |
| Payment in Lieu of Taxes | 2,646,266 |
| Intergovernmental | 21,461,344 |
| | \$132,907,606 |

AIRPORT FUND INCOME

| | |
|---------------------------------|---------------------|
| Beginning Balance | \$ 68,441 |
| Revenue from Cost Centers | 1,264,893 |
| Interest on Investments | 3,300 |
| Operating Transfer In | 730,996 |
| Miscellaneous Revenues | 119,848 |
| | \$ 2,187,478 |

SEWER FUND INCOME

| | |
|--|---------------------|
| Beginning Balance | \$3,498,384 |
| Retail Volume Charges | 10,588,864 |
| Sewer Contract Charges | 3,068,765 |
| Other Charges for Services | 986,174 |
| Intergovernmental | 38,500 |
| Sewer/Availability Connection Fees | 233,289 |
| Interest on Investments | 167,745 |
| Miscellaneous | 10,669 |
| | \$18,592,390 |

SOLID WASTE FUND INCOME

| | |
|-------------------------------|---------------------|
| Beginning Balance | \$ 5,510,645 |
| Charges for Services | 4,639,577 |
| Interest on Investments | 200,000 |
| Operating Transfers In | 732,529 |
| Intergovernmental | 191,039 |
| Miscellaneous | 7,500 |
| | \$11,281,290 |

WATER FUND INCOME

| | |
|---|---------------------|
| Beginning Balance | \$4,336,950 |
| Water Sales – Inside City | 4,589,671 |
| Water Sales – Outside City | 1,628,141 |
| Account Charge | 514,581 |
| Hydrant Rentals | 306,052 |
| Water/Availability Connection Charge/Fees | 150,000 |
| Overhead-Sewer & Wastewater Treatment Plant | 469,200 |
| Interest on Investments | 239,024 |
| Miscellaneous | 310,506 |
| | \$12,544,125 |

GENERAL FUND

| | |
|---|----------------------|
| Operations | 79,336,354 |
| Debt Service | 5,589,200 |
| Schools – Operations | 27,025,411 |
| Schools – Debt Service | 4,401,015 |
| Health Insurance Reserve | 195,000 |
| Reserve for Snow Removal, Streets & Bridges | 250,000 |
| Reserve for Contingencies | 1,200,000 |
| Capital Transfer | 2,189,167 |
| Ending Balance | 12,721,459 |
| | \$132,907,606 |

AIRPORT FUND

| | |
|--------------------------------|--------------------|
| Operations | 1,542,357 |
| Debt Service | 544,813 |
| Reserve for Debt Service | 15,300 |
| Reserve for Maintenance | 11,200 |
| Ending Balance | 73,808 |
| | \$2,187,478 |

SEWER FUND

| | |
|----------------------|---------------------|
| Operations | 8,146,250 |
| Debt Service | 7,385,274 |
| Ending Balance | 3,060,866 |
| | \$18,592,390 |

SOLID WASTE MANAGEMENT FUND

| | |
|----------------------|---------------------|
| Operations | 5,121,128 |
| Debt Service | 1,421,212 |
| Ending Balance | 4,738,950 |
| | \$11,281,290 |

WATER FUND

| | |
|----------------------|---------------------|
| Operations | 6,146,562 |
| Debt Service | 2,399,265 |
| Ending Balance | 3,998,298 |
| | \$12,544,125 |

CENTRAL VA RADIO COMMUNICATIONS BOARD INCOME

Beginning Balance \$37,990
 Charges for Services 559,166

\$ 597,156**COMMUNITY DEVELOPMENT BLOCK GRANT INCOME**

Beginning Balance \$(28,741)
 Intergovernmental 1,090,000
 Reprogrammed Prior Year Funds 28,625
 Program Income 88,310

\$ 1,178,194**COMPREHENSIVE SERVICES ACT FUND INCOME**

Beginning Balance \$495,529
 General Fund Transfer 611,321
 Lynchburg City School Transfer 151,671
 Intergovernmental 1,982,274

\$ 3,240,795**E-911/EMERGENCY COMMUNICATIONS CENTER INCOME**

Beginning Balance \$736,928
 E-911 Telephone Tax 1,032,000
 Interest 20,000

\$ 1,788,928**FLEET FUND INCOME**

Beginning \$ (212,386)
 Revenues 4,567,742

\$ 4,355,356**HOME FUND INCOME**

Beginning Balance \$(53,641)
 Intergovernmental 517,641
 Program Income 25,684

\$ 489,684**LAW LIBRARY FUND INCOME**

Beginning Balance \$24,258
 Charges for Services 60,000

\$ 84,258**MUSEUM SYSTEM FUND INCOME**

Beginning Balance \$17,037
 Charges for Services 10,000
 Miscellaneous Revenue 300

\$ 27,337**PARTNERS IN EMERGENCY RESPONSE (PIER) FUND INCOME**

Beginning Balance \$6,311
 Charges for Services 53,000

\$ 59,311**CENTRAL VA RADIO COMMUNICATIONS BOARD FUND**

Operations 559,166
 Ending Balance 37,990

\$597,156**COMMUNITY DEVELOPMENT BLOCK GRANT**

Operations 1,178,194
 Ending Balance 0

\$1,178,194**COMPREHENSIVE SERVICES ACT**

Operations 2,745,266
 Ending Balance 495,529

\$3,240,795**E-911 FUND**

Operations 666,521
 Debt Service 95,963
 Lease Financing Agreement 345,997
 Reserve for Equipment Replacement 10,000
 Ending Balance 670,447

\$1,788,928**FLEET SERVICES FUND**

Operations 4,204,392
 Debt Service 113,983
 Ending Balance 36,981

\$4,355,356**HOME FUND**

Operations 489,684
 Ending Balance 0

\$489,684**LAW LIBRARY FUND**

Operations 66,530
 Ending Balance 17,728

\$84,258**MUSEUM SYSTEM FUND**

Operations 18,879
 Ending Balance 8,458

\$27,337**PARTNERS IN EMERGENCY RESPONSE (PIER) FUND**

Operations 53,000
 Ending Balance 6,311

\$59,311

RECREATION PROGRAM FUND INCOME

Beginning Balance \$19,078
 Charges for Services 481,475
\$ 500,553

RECYCLING PROGRAM FUND INCOME

Beginning Balance \$39,612
 Miscellaneous Income 7,000
46,612

REGIONAL JUVENILE DETENTION CENTER INCOME

Beginning Balance \$0
 Charges for Services 1,441,419
 Intergovernmental 1,153,021
\$ 2,594,440

RISK MANAGEMENT FUND INCOME

Beginning Balance \$2,031,625
 Operating Transfers-In 717,324
 Interest & Other 155,000
\$ 2,903,949

TECHNOLOGY FUND INCOME

Beginning Balance \$342,489
 Operating Transfers-In 238,910
\$ 581,399

RECREATION FUND

Operations 492,755
 Ending Balance 7,798
\$500,553

RECYCLING PROGRAM FUND

Operations 7,000
 Ending Balance 39,612
\$46,612

REGIONAL JUVENILE DETENTION CENTER FUND

Operations 2,271,613
 Debt Service 272,827
 Reserve for Contingencies 50,000
 Ending Balance 0
\$2,594,440

RISK MANAGEMENT FUND

Operations 906,178
 Ending Balance 1,997,771
\$2,903,949

TECHNOLOGY FUND

Operations 245,000
 Ending Balance 336,399
\$581,399

Introduced:

Adopted:

Certified:

Clerk of Council

115L

B. BE IT ORDAINED that the City Council adopt the FY 2003-2008 Capital Improvement Program as amended.

Adopted:

Certified:

Clerk of Council

C. BE IT ORDAINED that there be appropriated from the funds and resources of the City of Lynchburg for the fiscal year ending June 30, 2003, the following sums as indicated below for the first year of the FY 2003 – 2008 Capital Improvement Program:

BUILDINGS

Cemetery Information Center Expansion 126,000
 Holiday Inn Parking Deck Waterproofing/Structural Repair 361,405
 Human Services Building Furniture and Equipment 688,416
 Human Services Building Relocation Expenses 82,000
 Human Services Building Telephone System 275,000
 Humane Society Expansion 100,000
 Major Building Repairs 548,638
 Market Parking Deck Renovation 33,000
 Monument Terrace 1,879,295
 New Juvenile and Domestic Relations Court Building 100,000
 Old Courthouse/Museum Renovation 422,900
 Roof Replacement 285,688
Total \$4,902,342

TRANSPORTATION

| | |
|---|--------------------|
| Cross-town Connector – Phase I&II..... | 60,000 |
| General Street Improvements..... | 856,870 |
| Greater Lynchburg Transit Company | 23,058 |
| Major Bridge Repairs..... | 745,000 |
| Old Graves Mill Road Relocation | 745,000 |
| Total | \$2,429,928 |

ECONOMIC DEVELOPMENT

| | |
|---|--------------------|
| Central Virginia Community College Space/Equipment Project | 105,707 |
| Downtown Riverfront Redevelopment | 1,000,000 |
| General Development Support | 200,000 |
| Street & Utility Extensions to Promote Economic Development | 150,000 |
| Total | \$1,455,707 |

PARKS AND RECREATION

| | |
|---|--------------------|
| Athletic Field Improvements..... | 166,740 |
| Blackwater Creek Natural Area/Upgrade Ed Page Entrance..... | 150,000 |
| City Stadium – Baseball Renovation | 5,319,561 |
| City Stadium Park..... | 400,000 |
| College Hill Community Center Renovations..... | 48,631 |
| Diamond Hill Community Center Renovation..... | 53,748 |
| E.C. Glass Tennis Court Renovation | 20,000 |
| Grace Street Retaining Wall..... | 57,520 |
| Miller Park Improvements..... | 36,000 |
| New Trail Development | 32,608 |
| Parks Pavings and Lighting/Reconstruction (Athletic Court Paving) | 125,000 |
| Playground Replacement and Improvements | 167,988 |
| Point of Honor Bridge | 410,000 |
| Skateboard Park | 50,000 |
| Three Park Master Plan | 30,000 |
| Total | \$7,067,796 |

AIRPORT

| | |
|--|-----------------|
| Aircraft/Vehicle Wash Rack (Compliance)..... | 20,800 |
| T-Hanger Site Work..... | 31,200 |
| Total | \$52,000 |

SCHOOLS

| | |
|--|--------------------|
| E.C. Glass High School..... | 3,913,739 |
| Linkhorne Middle School..... | 3,006,000 |
| Mechanical and Electrical Upgrades | 116,000 |
| Mobile Classrooms | 200,000 |
| Paving | 232,000 |
| Roof Replacement – Various Schools..... | 132,261 |
| Total | \$7,600,000 |

SEWER FUND

| | |
|---|--------------------|
| Capitalized Interest | 110,000 |
| Combined Sewer Overflow (CSO) Program Office..... | 170,000 |
| Major Collection System Repairs..... | 125,000 |
| Rainleader Disconnect Program (CSO) | 100,000 |
| Sewer Extensions..... | 500,000 |
| Sewer Separation/Rehabilitation (CSO)..... | 2,846,000 |
| Wastewater Treatment Plant Improvements..... | 2,900,000 |
| Total | \$6,751,000 |

WATER FUND

| | |
|--|-----------|
| Abert Water Plant – Filter Renovation..... | 200,000 |
| Alternate Disinfection Process..... | 750,000 |
| Capitalized Interest | 32,000 |
| Distribution System Improvements..... | 600,000 |
| Large Water Meter Replacement | 125,000 |
| Major Distribution System Maintenance..... | 275,000 |
| Route 460 East Waterline – Division I | 1,500,000 |
| Route 460 East Waterline – Division II | 1,750,000 |

| | |
|--------------------------------|--------------------|
| WATER FUND (continued) | |
| Water Extensions..... | 200,000 |
| Water Main Replacement | 300,000 |
| Water Tank Rehabilitation..... | 500,000 |
| Total | \$6,232,000 |

Introduced:

Adopted:

Certified:

Clerk of Council

D. BE IT ORDAINED that the City Council adopt a real property tax rate of \$1.11 per \$100 assessed value for the fiscal year beginning July 1, 2002.

Adopted:

Certified:

Clerk of Council

| | | |
|---|---|--------------|
| | | Attachment A |
| General Fund Expenditure Adjustments | | |
| <i>(additional adjustments as discussed at the April 23, 2002 City Council Work Session reflected in italics)</i> | | |
| | | |
| Council Manager | VML dues savings | \$ (818) |
| City Attorney | Attorney fees for utility rate negotiations | \$ 33,200 |
| | | |
| Juvenile Services | Freeze 1 FTE | \$ (40,500) |
| | Freeze 1.4 part-time | \$ (40,500) |
| | Reduce wage salaries | \$ (4,500) |
| | Various other adjustments | \$ (24,820) |
| Subtotal | | \$ (110,320) |
| | | |
| Financial Services | Eliminate Accountant III | \$ (51,012) |
| | Supplies and Materials | \$ 5,123 |
| | Temporary Wages | \$ 10,000 |
| | Procurement Training | \$ 3,000 |
| | Billings and Collections Postage | \$ 15,365 |
| | Director Salary Adjustment | \$ 7,210 |
| Subtotal | | \$ (10,314) |
| | | |
| Fire/EMS | | |
| | Office Supplies | \$ 21,200 |
| | Vehicle Maintenance | \$ 20,000 |
| | Building Maintenance | \$ 10,000 |
| | Professional Services | \$ 1,000 |
| | Vehicle Maintenance | \$ 3,000 |
| | Software | \$ 1,000 |
| | Contractual Services | \$ 2,000 |
| | Courtesies to Guests | \$ 1,000 |
| | Other: Barker Jennings | \$ 3,802 |
| Subtotal | | \$ 63,002 |
| | | |
| Human Resources | Eliminate "Catch a Star" | \$ (4,600) |
| | | |
| Information Technology | Training | \$ 12,000 |
| | | |
| | | |
| Libraries | | |
| | Eliminate fee for database | \$ (8,300) |
| | Office Supplies | \$ (5,000) |
| | Adult Books and Materials | \$ (9,522) |
| | Youth Books | \$ (6,348) |
| | Branch Books | \$ (500) |
| Subtotal | | \$ (29,670) |

| | | |
|--|-------------------------------------|--------------|
| | | |
| E-911 | 1 Telecommunicator | \$ 30,783 |
| | Fringe Benefits | \$ 4,300 |
| | Equipment | \$ 7,776 |
| | Maintenance | \$ 2,000 |
| Subtotal | | \$ 44,859 |
| | | |
| Police Department | Reduced personnel costs due to | \$ (65,000) |
| | Police cadet grant funding | |
| | | |
| Public Works | | |
| Engineering | Restore funding for Safety Training | \$ 12,501 |
| Building and Grounds | Restore contractual services for | \$ 17,000 |
| | elevator, fire extinguisher, and | |
| | janitorial contracts | |
| | Aviary Building Maintenance | \$ 10,000 |
| | Peaks View Park Drainage | \$ 8,000 |
| Traffic Engineering | Wards Road Signalization | \$ 19,000 |
| Subtotal | | \$ 66,501 |
| | | |
| Museums | Camera and File Cabinet | \$ 5,160 |
| | | |
| Parks and Recreation | Computers for Neighborhood Centers | \$ 9,000 |
| | Increased custodial for school gyms | \$ 5,000 |
| Subtotal | | \$ 14,000 |
| | | |
| Community Planning and Development | Spot Blight | \$ 100,000 |
| | Demolition | \$ 20,000 |
| Subtotal | | \$ 120,000 |
| | | |
| Economic Development | Downtown Improvements | \$ 300,000 |
| | | |
| | | |
| Various General Fund Depts. | Reduce Telephone Expenditures | \$ (131,910) |
| | (transfer to Technology Fund) | |
| | Life Insurance Holiday | \$ (340,980) |
| | Health Insurance Savings | \$ (390,000) |
| Subtotal | | \$ (862,890) |
| | | |
| Transfers | | |
| Transfer to Airport Fund | | \$ (120,113) |
| Transfer to Technology Fund | | \$ 131,910 |
| Subtotal | | \$ 11,797 |
| | | |
| Non-departmental | Indigent Hospitalization | \$ 2,306 |
| | Employee Compensation (2% 1/1/03) | \$ 928,402 |
| Subtotal | | \$ 930,708 |
| | | |
| Total General Fund Expenditure Adjustments | | \$ 517,615 |
| | | |
| Schools - Operations | | \$ 200,000 |
| | | |
| Reserves | Snow/Ice/Paving | \$ 250,000 |
| | Health Insurance Reserve | \$ 195,000 |
| Subtotal | | \$ 445,000 |

| | | | |
|---|---------------------------------------|---------------------|--|
| | | Attachment B | |
| FY 2003 Capital Improvement Program Adjustments | | | |
| <i>(additional adjustments as discussed at the April 23, 2002 City Council Work Session reflected in italics)</i> | | | |
| | | | |
| Capital Improvement Program | Human Services Furniture | \$ (15,176) | |
| | City Stadium Park | \$ 400,000 | |
| | Human Services Relocation | \$ 82,000 | |
| | Human Services Telephone System | \$ 275,000 | |
| | College Hill Community Center | \$ 30,000 | |
| | Juvenile and Domestic Relations Court | \$ 100,000 | |
| | Master Plan Review | | |
| | <i>Point of Honor Bridge</i> | <i>\$ 84,100</i> | |
| | | | |
| | | | |
| Subtotal | | \$ 955,924 | |